



FOREIGN AFFAIRS MANUAL

VOLUME 3 – Personnel

Transmittal Letter: PER-345

Date: December 15, 1997

SUBCHAPTER 3 FAM 3180 RECRUITMENT AND RELOCATION BONUSES AND RETENTION ALLOWANCES

MAJOR CHANGES

1. This regulation represents new agency guidance concerning the payment of recruitment and relocation bonuses and/or retention allowances, rather than a revision to any existing policy. The Federal Employees' Pay Comparability Act (FEPCA) of 1990 authorized the implementation of certain recruitment, relocation and retention (3R) payments. FEPCA 3R provisions were designed to provide additional incentives to attract and retain high quality employees for positions which Federal agencies were experiencing difficulty in filling. Each agency was granted authority to offer incentive payments of up to 25% of basic pay, depending on mission requirements, qualification needs, and the conditions in the available labor market. These provisions target specific types of recruitment and retention issues, and their use is intended to be of limited scope (applicable to individuals or occupations) on a case-by-case basis.

2. **Recruitment Bonues** – A recruitment bonus is defined as a lump-sum cash bonus of up to 25% of basic pay, as an incentive to attract the services of applicants with outstanding qualifications for positions in designated employment categories. In return for a recruitment bonus, applicants agree to serve for a specified period of time, generally not less than one year. Eligible employees include Presidential appointees and other Civil Service appointments to permanent positions or appointments lasting more than one year under GS/GM pay schedules, Senior Level (SL), Scientific/Technical (ST), Senior Executive Service (SES), Executive Schedule (EX, Foreign Service (FS), and positions filled under the United Nations Participation Act. A recruitment bonus is used when such a bonus will serve as an inducement for a candidate with outstanding qualifications to accept a Federal appointment. Recruitment bonuses are not considered basic pay for any purpose. Therefore, their use is not a continuing expense and will not cause salary disparity with the pay of current employees.

Recruitment bonuses may also be used in combination with other incentives, such as relocation bonuses and special salary rates. Requests for recruitment bonuses are subject to the review/approval of the Under Secretary for Management or his/her designee, who is at least one management level above the recommending official. Bonus determinations are made on a case-by-case basis considering special qualifications required for the position and relevant labor market factors. An applicant designated to receive such a bonus must sign a written service agreement reflecting a specified period of service and acknowledging the terms of the Department's repayment policy, should the employee fail to complete the service period.

3. Relocation Bonuses – A relocation bonus is defined as a lump-sum cash bonus of up to 25% of basic pay as an incentive for an employee to accept reassignment to a different commuting area. A law enforcement officer or a special agent within the Diplomatic Security Service may receive a relocation bonus of up to \$15,000 if that amount is greater than 25% of the employee's annual rate of basic pay. In return for a relocation bonus, employee's agree to serve for a specified period of time, generally not less than one year, in the new commuting area.

Eligible employees include Presidential appointees and other Civil Service employees serving in permanent positions or appointments lasting more than one year under GS/GM pay schedules, Senior Level (SL), Scientific/Technical (ST), Senior Executive Service (SES), Executive Schedule (EX), Foreign Service (FS), and positions filled under the United Nations Participation Act. A relocation bonus is used when such a bonus will serve as an incentive for current, high-quality, Federal employees to accept transfer to positions in areas where factors such as high living costs or geographic remoteness create difficulty in recruiting and retaining employees with the requisite skills and qualifications. Relocation bonuses are not considered basic pay for any purpose. Therefore, their use is not a continuing expense and will not cause salary disparity with the pay of current employees. A relocation bonus may not be paid to an individual whose conditions of employment include worldwide availability, or a similar mobility agreement, **and** whose relocation involves a position outside the continental United States. Relocation bonuses may be used in combination with other recruitment incentives. Requests for relocation bonuses are subject to the review/approval of the Under Secretary for Management or his/her designee, who is at least one management level above the recommending official. Bonus determinations are made on a case-by-case basis considering special qualifications required for the position and relevant labor market factors. An employee designated to receive such a bonus must sign a written service agreement reflecting a specified period of service at the new duty station and acknowledging the terms of the Department's repayment policy, should the employee fail to complete the service period.

4. **Retention Allowance** – A retention allowance is defined as a continuing payment of up to 25% of basic pay as a means to retain the services of a current employee. Payment of the retention allowance is made at the same time and in the same manner as an employee's basic pay, but is not considered part of the employee's basic pay for any purpose. Eligible employees include Presidential appointees and other Civil Service employees serving in permanent positions or appointments lasting more than one year under GS/GM pay schedules, Senior Level (SL), Scientific/Technical (ST), Senior Executive Service (SES), Executive Schedule (EX), Foreign Service (FS), and positions filled under the United Nations Participation Act. A retention allowance is used if the unusually high or unique qualifications of the employee or a special need of the Department for the employee's services make it essential to retain the employee and the employee would be likely to leave the Federal service (executive, legislative, or judicial branches) in the absence of such an allowance. The Department may not pay a retention allowance to an employee who is likely to leave his/her position for other employment in the executive, legislative, or judicial branch of the Federal government, whether in the same or different agency. Retention allowances may be used in combination with other recruitment incentives. Requests for retention allowances are subject to the review/approval of the Under Secretary for Management or his/her designee, who is at least one management level above the recommending official. Determinations to pay a retention allowance are made on a case-by-case basis considering funds available, effect on mission if the employee leaves, and recruitment of candidates with similar qualifications.

5. These regulations apply to Foreign Service and Civil Service employees of the Department of State.

6. Officers are reminded that Department-issued materials not codified in the *Foreign Affairs Manual* or its supplemental *Foreign Affairs Handbook* series generally have no regulatory validity (see 2 FAM 1115.2).

FILING INSTRUCTIONS

1. For those who maintain a hard copy of this volume, after inserting the material in the binder, insert this transmittal letter immediately following the TL Checklist, fill in the entry line for TL:PER-345, and initial.

DISTRIBUTION NOTICE

1. The *Foreign Affairs Manual* (unclassified) is issued primarily in CD-ROM format. For information on this program, including information regarding public inquiries, contact the INFOEXPRESS Coordinator,

A/IM/CST/MMS/CB, directly. The Coordinator is located in Room 1659 NS, 202-736-4940, FAX 202-736-4924. E-Mail via DOSNET: INFOEXPRESS.

2. All posts and offices keeping paper versions of the *Foreign Affairs Manual* are responsible for maintaining the FAM on a current basis (see 2 FAM 1116.5), and for ensuring that all copies (including binders) are either retained or returned to A/IM/CST/MMS/DIR if no longer needed. **When returning excess or unused materials include your office/post symbols and inform PB and your message center if you need to have your distribution reduced** (this generally applies only to time-sensitive paper issuances). A/IM/CST/MMS/PB, Room 1853, 202-736-7470, FAX 202-647-4535, handles all requests for paper copies, including non-Government users (include either fiscal information or payment with request, as appropriate).

3. Use KFAM and AINF TAGS on **all** communications on FAM/FAH issues; direct questions concerning issuance, validity, and updating to A/IM/CST/MMS/DIR. Direct questions concerning substance and interpretations to the office indicated at the end of this transmittal letter.

(PER/CSP)